

ADAMS CITY COUNCIL COMMITTEE REPORT

The Finance Committee was called to order on November 11, 2014 at 6:00 p.m. On roll call were members Marti, Hilson and Roseberry.

Others attending: Mayor Baumgartner and Clerk/Treasurer Winters and citizens.

Motion by Marti, Second by Roseberry to approve the minutes of the October 28, 2014 meeting as printed. All voted aye.

Petitions and Communications: Roseberry questioned the budget publication timeline and when will Council approve the budget. Mayor Baumgartner stated that the publication will be in tomorrow's paper and is a draft. The budget will go to Council on December 1st following the Public Hearing at 5:30 p.m. We are still waiting for the County's Levy and their budget should be approved next Tuesday at the Board meeting and we hope to receive it on Wednesday for our meeting that night.

Agenda Items:

Discussion Relating to Utility Rate Increase – PSC: Mayor Baumgartner stated that she has been in contact with another employee at the PSC and working on the rate increase that we will have to do annually. This increase will be done through the online Simple Rate Increase for a 3% for water & sewer. The PSC is very excited with the collaboration with Friendship in combining services so there is not extra maintenance.

Review 2014 Budget Revenues & Expenditures: Reviewed and discussed. We received the final payment from the COPS Grant.

2015 Budget Review: Mayor Baumgartner presented and reviewed the draft 2015 budget. She stated that after the committee members have looked it over, questions can be asked at next Wednesdays meeting or to call her prior to and if she doesn't know, she will have time to look into it. She reviewed the proposed budgets.

General Fund - City Levy is \$300,000; our larger Intergovernmental revenues are State Shared Revenue \$606,852, Transportation Aid \$119,277, recycling \$6,150 and the Exempt Computer Aid \$6,000. She explained the \$65,600 of Intergovernmental Charges/Services from TIF#3 Economic Development Share to the General Fund. This is a one-time payment that will pay for part of the legal services. The C.I.P. accounts are Capital Equipment for replacement or refurbishing and can be moved around for upgrades. She explained that the Municipal Administration decreased due to there would be a couple of months in the new year that we would not have anyone. Changes will need to be made in the clerk's professional development, Operator Licenses both revenue and expenditures for background checks, election supplies/equipment, assessor contract, fire contract and the ambulance contract. The Clerk/Treasurer department and Municipal Administration are also allocated to water, sewer and both TIF's. For Solid Waste/Recycling the auditor suggested placing garbage on the water & sewer bills or partial, as we did with the fire protection. We need to start being more creative with the budget and that was one suggestion. We are limited to raise the Levy, we can't raise taxes it would have to go to referendum because of the levy, formulas and how they implement the amount. For Net New Construction we have nothing and need to look at other creative ways to not raise the levy limit. The Contingency Fund is money set aside in case we need it. In the Debt Service the \$116,763 needs to be deleted as well as in the Summary of Expenditures.

TIF #2 - This is the last year for Special Assessment revenues. Expenditures for Administration, we will need to slowly decrease that as this TIF ends in 2020 and we cannot do anymore projects with it.

TIF #3 – the 2005 Elm Street G.O. has one more year left. We do have money for projects. We need to think ahead of projects such as curb & gutter, roads, parks or main street project; we will need to have everything planned out by 2019. We are working with Daric to possibly refinance the ACRIDC loan to be used for other development thru the Rural Development system. The interest would be the same or possibly less. The ACEC loan we could possibly pay back internally, and then pay ourselves back over the next seven years with interest. The 2000 G.O. was done this year. TIF #3 expires in 2025. She reviewed the Repayment Schedule for both TIF's. Over the years, there is still a lot the City can do.

We are uncertain as to how the revaluation will affect us next year. Our Mill Rate will probably go up but our taxes should remain the same.

Water & Sewer - She submitted for a 5% increase for 2015, which is conservative but we don't want a huge rate analysis due to the cost of it. We were approved for the simple rate increase of 3%. She will be sending the budgets to Rural Development for their review. With the collaboration with Friendship, we would need to get a consultant in to do a rate study. She needs to setup a meeting to get all the information but knows the City would maintain the system and billing. We need to work out issues such as who would be responsible for cost of repairs as we don't want to get stuck with a huge debt. We will need to pass the ordinances for the increases to water and sewer. She is looking at 3% for this last quarter and 5% next year. For 2016 we will need to look at the 2015 budgets. Winters questioned the 2014 increase and the timeline. She stated that its 45 days from the approval, but if there isn't enough time, we can put it in for the 2015 first quarter.

Recommendation by Marti, second by Hilson to Approve Payment of Bills. All voted aye.

Motion by Roseberry, second by Hilson to Adjourn. All voted aye.

Bobby Hilson\jlw
Committee Chairperson

NEXT COMMITTEE MEETING(s): November 19th & November 25th